



Monthly Bulletin

Volume 7, Number 9

March, 2004

A Message to our Email Subscribers

Almost one year ago the Department of Financial Institutions (DFI) stopped sending out the Bulletin in hard copy and began sending it via email. Recently, we noticed that a number of our list members had stopped receiving list mailings even though the addresses were valid, so we sent them postal mail to inquire what might have happened. It appears that the list server had stopped sending messages because their firewalls and/or spam blockers had stopped list mailings from being delivered.

To insure that you receive the Bulletin by email, please set your firewalls and/or spam blockers to accept mail from the list server address, blizzard.sparklist.com and deliver it to your inbox. Questions or comments should be directed to Patrick Carroll at (415) 263-8559 or by email to pcarroll@dfi.ca.gov.

Howard Gould Named Vice Chairman of CSBS International Bankers Advisory Board

The Conference of State Bank Supervisors (CSBS) named Commissioner Howard Gould as Vice Chairman of the organization's International Bankers Advisory Board (IBAB), effective March 23, 2004.

The CSBS International Bankers Advisory Board (IBAB) is CSBS's international leadership group with both international regulators and international bankers. IBAB's mission is to ensure safety and soundness, promote economic growth, and foster innovative and efficient regulation of foreign banks and international financial services institutions. Through IBAB, members work together to develop a constructive ongoing dialogue between regulators and international institutions. As part of this dialogue, IBAB provides advice on international banking policy to the CSBS Board of Directors and serves as a resource to CSBS and its members throughout the year. IBAB has played a key role in helping CSBS develop policy positions on USA PATRIOT Act regulations, IRS regulations that would require banks to report nontaxable deposit interest paid to nonresident aliens, and other issues. Importantly, IBAB was an effective forum for the development of the Nationwide Foreign Banking Organization Supervision and

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Consumer Compliance

(415) 263-8500
(213) 897-2085
(916) 322-5966
(619) 682-7227
(800) 622-0620

Examination Coordination Agreements that provide efficient and seamless state supervision for institutions operating in a multi-state environment.

2003 Quality Assurance Survey Results

Licensee responses to the Quality Assurance Survey ("QAS") continue to be an integral part of the examination process by providing a measure of the Department's efforts to improve the process. Please continue to respond to the QAS you receive subsequent to the examination of your financial institution. As always, the surveys are anonymous.

The results of the [attached](#) 2003 Quality Assurance Survey ("QAS") include results for the last seven years for banks and six years for credit unions for comparison.

There were 117 bank QAS sent in 2003, with 66 responses for a 56% response rate. QAS were sent to 127 credit unions, with 69 responses for a response rate of 54%.

Bank 2003 QAS results are similar to prior year responses, with the average response to questions involving the examination process and the report at 93% positive response ("strongly agree and agree") and the average response to questions involving specific examination criteria at 87% positive response. However, in response to the statement "the length of time used to conduct the examination was appropriate" the positive response rate declined from 88% in 2002 to 78% in 2003. In a positive vein, the effectiveness of assessing bank earnings rose from 80% to 96%.

Credit union QAS 2003 results were also similar to previous year responses, with the average response to questions evaluating the examination process and the examination at 86% positive response, and the average response to questions involving specific examination criteria at 89% positive response. On the statement "the report of examination was received in a timely manner" the credit union rating dropped to a 60% positive response in 2003, down from 66% in 2002.

DFI Credit Union Division Earns Re-Accreditation by NASCUS

The Department of Financial Institutions (DFI) Credit Union Division was re-accredited by the National Association of State Credit Union Supervisors (NASCUS), a member organization representing all 48 state and territorial credit union supervisors and the CEOs of 800 of the nation's more than 4,300 state-chartered credit unions. NASCUS Chairman Roger Little announced the DFI's re-accreditation during the 26th Annual NCUA/NASCUS Regulators' Conference in Salt Lake City, Utah on Friday, March 12. Accreditation is valid for a five-year period, subject to annual review. The annual review process enables the accredited agency and the Performance Standards Committee to measure progress and improvement, and in some cases, identify where weaknesses may be beginning to develop.

To earn NASCUS accreditation, an agency must meet or exceed performance standards in each of the following six areas: Department Administration and Finance; Personnel; Training; Examination and Supervision; and Legislative Powers. The agency's qualifications and review team findings are audited by an Accreditation Audit Working Group and the NASCUS Performance Standards Committee (PSC),

which makes the final recommendation for approval to the NASCUS Board of Directors. NASCUS accredited states supervise nearly 80 percent of all state-chartered credit union assets.

Doug Kirkpatrick Receives CEM Designation from EFSBS

Doug Kirkpatrick, Financial Institutions Manager in the San Diego/Orange region, has completed the requirements for and received his Certified Examinations Manager (CEM) designation from the Education Foundation of the Conference of State Bank Supervisors (EFSBS). The CEM certification means that Doug has been recognized nationally by EFSBS as possessing the experience and training to manage and supervise an examination staff and oversee the most complex licensees in a competent and professional manner.

The department encourages examiner certification at all levels as it distinguishes DFI examiners as highly trained, educated and motivated and supports our goal to be the very best examination force in the nation.

DFI Announces California Financial Literacy Month

Launches new CFLM 2004 Web Site

April 2004 has been designated "California Financial Literacy Month" to highlight the importance of financial literacy and encourage all Californians to increase their understanding of saving, investing and credit choices. The theme of this year's CFLM is "Building Strong Financial Futures". The Department will launch a new Web site for April, www.dfi.ca.gov/CFLM2004.

The financial services industry actively participates in efforts to reach the community, especially our youth during the month of April. Financial institutions make presentations to students of all ages teaching children to save and other financial basics to help them grow up to make informed and better financial decisions.

The CFLM 2004 Web site provides an Outreach Activities and Toolkit Section containing ideas on how to get involved and materials to help promote Financial Literacy Month, including downloadable buttons, banners and posters and sample press releases, letters to the editor and public service announcements.

Commercial Bank Activity

New Bank

Bay Business Bank
1280 Civic Drive, Walnut Creek, Contra Costa County
Correspondent: Maryam Hamzeh
Carpenter & Company
5 Park Plaza, Suite 950
Irvine, CA 92614
Phone: (949) 261-8888
Approved: 3/12/04

Beach Business Bank
1230 Rosecrans Avenue, Manhattan Beach, Los Angeles County
Correspondent: Robert M. Franko
1230 Rosecrans Avenue, Suite 120
Manhattan Beach, CA 90266-2436
(310) 536-2270
Approved: 3/17/04

First General Bank
1744 South Nogales Street, Rowland Heights, Los Angeles County
Correspondent: Gary Steven Findley, Esq.
Gary Steven Findley & Assoc.
1470 North Hundley
Anaheim, CA 92806
(714) 630-7136
Filed: 2/26/04

Mother Lode Bank
Proposed location: 172 West Stockton Road, Sonora, Tuolumne County
Correspondent: James H. Avery
James H. Avery Company
PO Box 3009
San Luis Obispo, CA 93403
Phone: (805) 544-5477
Approved: 3/8/04

Point Loma Community Bank
1350 Rosecrans Street, San Diego, San Diego County
Correspondent: Joseph D. Reid III
Capitol Bancorp Ltd.
200 Washington Square North
Lansing, MI 48933
Phone: (517) 487-6555
Filed: 3/9/04

New Bank (Continued)

Redwood Capital Bank
402 G Street, Eureka, Humboldt County, CA 95501
(707) 444-9800
Web site: www.redwoodcapitalbank.com
Officers: John E. Dalby, President and Chief Executive Officer
Fred J. Moore, Senior Vice President and Chief Financial Officer
Wayne H. Shaffer, Chief Credit Officer
Capitalization: \$11,000,000.00
Opened: 3/1/04

Purchase of Partial Business Unit

Center Bank, Los Angeles, to acquire the Chicago Branch of Korea Exchange Bank, Chicago
Approved: 3/9/04

Merger

Arlington National Bank, Arlington, Texas, with and into Wilshire State Bank, Los Angeles
Withdrawn: 3/19/04

Feather River State Bank, Yuba City, with and into Humboldt Bank, Eureka
Effected: 3/5/04

Northwest National Bank of Arlington, Arlington, Texas, with and into Wilshire State Bank, Los Angeles
Filed: 3/5/04

Pacific Union Bank, Los Angeles, with and into Hanmi Bank, Los Angeles
Filed: 3/2/04

Acquisition of Control

First Commerce Bancorp, to acquire control of First Commerce Bank, Encino
Filed: 3/10/04
Approved: 3/11/04

Premium Finance Company Activity**New Premium Finance Company**

Cypress Premium Funding, Inc.
12821 Newport Avenue, Laguna Niguel, Orange County
Filed: 3/9/04

New Premium Finance Company (Continued)

JLJ Premium Finance Corporation
6046 Cornerstone Court West, Suite 202, San Diego, San Diego County
Filed: 3/9/04

Oasis Financial Services, Inc.
2501 East Chapman Avenue, Suite 100, Fullerton, Orange County
Filed: 3/23/04

Acquisition of Control

Capitol Payment Plan, Inc. to acquire control of Capitol Payment Plan of California, Inc., Woodland Hills
Filed: 2/19/04
Approved: 3/4/04

Foreign (Other Nation) Bank Activity**Discontinuance of Representative Office**

WestLB AG
633 West 5th Street, Suite 6750, Los Angeles, Los Angeles County
Filed: 3/12/04
Approved: 3/16/04

Credit Union Activity**Merger**

Carlsbad City Employees Federal Credit Union, Carlsbad, into Cabrillo Credit Union, San Diego
Approved: 2/27/04

Unocal Federal Credit Union, El Segundo, into Wescom Credit Union, Pasadena
Filed: 3/16/04

Change of Name

American Electronics Association Credit Union to KeyPoint Credit Union
Approved: 11/6/03
Effected: 12/9/03

Field of Membership

20 credit unions received approvals to add 72 new fields of membership during January and February 2004.

Amendment of Articles of Incorporation

Five credit unions received approvals for five amendments of articles of incorporation during January and February 2004.

Bylaw Amendment

Four credit unions received approval for five bylaw amendments during January and February 2004.

Transmitter of Money Abroad Activity**New Transmitter**

Money Express Financial, Corp.
Filed: 3/10/04

Viamerica Corporation
Filed: 3/10/04

Acquisition of Control

Frederick M. Locsin, Maria R. Locsin, and Felicidad V. Jimenez, to acquire control of Dollar American Exchange
Withdrawn: 3/17/04

HOWARD GOULD

Commissioner of Financial Institutions

Bulletin for Month ended
March 2004, issued pursuant
to Financial Code, Section 258

